

HOUSE No. 4507

The Commonwealth of Massachusetts

By Mr. Walsh of Lynn, for the committee on State Administration and Regulatory Oversight, on
House, No. 2964, a Bill relative to interest on retainage (House, No. 4507). February 22, 2010.

FOR THE COMMITTEE:

NAME:	DISTRICT/ADDRESS:
Steven M. Walsh	11th Essex

The Commonwealth of Massachusetts

In the Year Two Thousand and Ten

An Act RELATIVE TO INTEREST ON RETAINAGE.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. Section 39G of chapter 30 of the General Laws, as appearing in the 2008 Official Edition, is hereby amended by inserting after the sixth paragraph the following new paragraph:—

At the time of the first payment to the contractor, the awarding authority shall establish an interest bearing escrow account at a financial institution licensed to do business in the commonwealth. The account shall be established to maximize the rate of interest thereon, which is to accumulate. The awarding authority shall deposit to such account each portion of each requisition that represents retainage deducted from the amount due the contractor for periodic payment. The deposit of such retainage into the escrow account shall be made simultaneously with the payments to the contractor for periodic requisitions. The amount in the escrow account, including accumulated interest, shall be payable to the contractor in accordance with the provisions of this section.